

DRAFT of Gambling Control Board Meeting Minutes
August 11, 2006
45 Commerce Drive, Augusta, Maine

Meeting opened at 12:35 p.m.

Board members present: Chairman George McHale, Peter Danton, W. Lawrence Hall, Michael Peters and Cushing Samp

Staff members present: Exec. Director Robert Welch, Sgt. Robin Parker, Auditor Scott Woods and Secretary Kathy Chamberlain.

Legal counsel: Melissa O'Dea, Ass't Attorney General

****Minutes from July 19, 2006 meeting approved.**

Motion to accept: Larry Hall

Seconded: Mike Peters

Vote: 5-0

****Executive Director's Report – Robert Welch**

- Mr. Welch advised the board that in reference to the two Quick Cash machines that are at the Racino and discussed at a prior meeting with concerns about them being on the game floor: one has been removed completely and one has been moved away from the gaming floor.
- The Responsible Gaming Program set up with the Office of Substance Abuse hit a snag. The Office of Substance Abuse does not have statutory authority to provide services related to gambling. OSA intends to seek statutory changes during the next legislative session. For now, anyone calling the 800 problem gambling line will continue to be referred to meetings held in Portland and Lewiston.
- Bob presented Policy #7, which sets the fee structure for copies requested of materials from the Gambling Control Board/Unit, which is in line with the Dept fee structure.

Motion to accept Policy #7 as presented: Peter Danton

Seconded: Cushing Samp

Vote: 5-0

****Financial Update – Scott Woods**

Scott advised that everything was going well in general. At the end of August, the reporting day for all entities with financial reports will be changed from Monday to Wednesday. This will alleviate reports coming in on holidays and give Mr. Woods more of a chance to get the reports rectified. Therefore the last report of this month will be from 8/28 to 9/6, a 10-day report instead of a week's report. Mr. Woods has reviewed the income tax returns of licensed employees for both Bangor Historic Track and I.G.T. in preparation for their Suitability for Licensure hearing today.

****State Police Activity Update – Sgt. Robin Parker**

Sgt. Parker advised the board that since the last Board meeting, 34 applications had been received and processed by the Unit. He attended a training a few weeks ago at the University of Nevada, Las Vegas and learned that many companies are getting or utilizing coinless machines, like Maine does at Hollywood Slots.

The enforcement branch of Nevada Gaming, did a seminar on cheating at gaming that he found very informative. While there, he used the opportunity to conduct interviews with the newest Key Executive at Bally's, who has applied for licensure.

****Unfinished Business:**

Resolve of Moratorium on future casino legislation - Mike Peters and Cushing Samp

Drafts of this Resolve were done by each and presented to the Board, by Mr. Peters and Ms. Samp. Discussion ensued as to the language of each, ending with a motion:

Resolution Regarding the Expansion of the Operation of Gaming Machines (Slots) in the State of Maine:

WHEREAS: There has been public expression of interest in expanding gaming in the State of Maine by authorizing the use of gaming machines in locations beyond what is already allowed under Maine law; and

WHEREAS: The Gambling Control Board will have jurisdiction to regulate, supervise and exercise general control over any additional ownership and operation of gaming machines, any additional distribution of gaming machines and any additional gaming machine facilities; and

WHEREAS: The Gambling Control Board has, pursuant to 8 MRSA §1003, only recently promulgated rules and regulations designed to insure the lawful operation of gaming machines; and

WHEREAS: The Gambling Control Board is still assessing the effectiveness of those carefully crafted rules as well as the impact on the existing facility on the community surrounding it and the State of Maine; and

WHEREAS: The expansion of the operation of gaming machines to additional facilities will create tangible and intangible benefits and problems for the Board, the communities in which such additional facilities may be located, and for the State of Maine;

BE IT RESOLVED, effective this date, the Gambling Control Board strongly urges an ongoing moratorium on any expansion of gaming in Maine, and respectfully asks that the legislature, the public, and all other parties of interest, refrain from embarking upon any new initiatives leading toward more casino style gaming in Maine, including racinos. The Board suggests that this moratorium should remain in effect until the accumulated data being continuously collect by the Gambling Control Board is deemed by the board to be sufficient in both quantity and quality to assure an accurate assessment of the effects of gaming, both tangible and intangible, on the people, the social fabric, and the business infrastructure of Maine.

Motion: Peter Danton motioned to adopt Mr. Peter's version of the Resolution

Seconded: Larry Hall

Vote: 3-1 with 1 abstention

Requested by the Board for Mr. Welch to send it out to the press, which he will do.

Motion: Cushing Samp moved to amend the open timeline in the Resolve, to include that it is reviewed every six months.

Seconded: Mike Peters

Vote: 5-0

****New Business:**

● Suitability of Licensure Hearing on Bangor Historic Track/Penn National – Slot Operator

The License Criteria/Checklist of information and items that Bangor Historic Track/Penn Nat'l had to submit in order to make proper application to the Board was read by Exec. Dir. Welch.

Andy Grover, CPA from Macdonald, Page & Co. LLC, reported his evaluation of Bangor Historic Track/Penn National's financial information submitted to the Board. All are timely with tax returns, SEC filings, etc. He gives them a clean opinion or bill of health. BHT is still very dependent upon Penn National, who is very viable financially.

Jon Johnson, General Manager of Hollywood Slots of Bangor represented Bangor Historic Track/Penn Nat'l. He provided the Board with a chart revealing where all tax monies has gone to paid by B.H.T., advised that they have had 10 people apply for self-exclusion, checked 22,000 IDS since opening in November of 2005, with 910 denied access to the facility for incorrect ID, under 21 or intoxicated. Hollywood Slots is required by law to have a payout of 89%, but continues to pay out 93%. He feels the financial numbers should dramatically improve once the permanent facility is open in 2008, and feels Maine's facility will be comparable in size and financials to Penn's facility in Colorado with 900 machines.

Public Comment: none received

Motion: made by Peter Danton to renew the license of Bangor Historic Track as Slot Operator.

Seconded: Larry Hall

Vote: 5-0

● Suitability of Licensure Hearing on International Gaming Technologies (I.G.T.) – Slot Distributor

The License Criteria/Checklist of information and items that I.G.T. had to submit in order to make proper application to the Board was read by Exec. Dir. Welch; as well as Det. Armstrong's letter advising that he found nothing adverse in I.G.T.'s background check.

Andy Grover, CPA from Macdonald, Page & Co. LLC, reported his evaluation of I.G.T.'s financial information submitted to the Board. He gave them a clean opinion as well, very financially responsible.

Barry Hobbins, Attorney represented I.G.T., who made no comment.

Public Comment: none received

Motion: Peter Danton motioned to renew I.G.T.'s license as a Slot Distributor

Seconded: Larry Hall

Vote: 5-0

● Public Comments

Jon Johnson, Gen Mgr of Hollywood Slots, approached the board with a request to streamline the disclaimer HS is required to have on all advertising, citing that a large portion of their radio ads have to have this rather long disclaimer that he would like to see shortened if possible to "Persons under 21 cannot enter slot machine areas or play slot machines." Melissa O'Dea advised the Board they would have to go through the rulemaking process to change it.

Motion: Larry Hall moved to have the Board go to the rulemaking process and make the change requested by Mr. Johnson

Seconded: Peter Danton

Vote: 5-0

Meeting adjourned at 2:20 p.m. Next meeting date is set for **Wednesday, September 20th** at 12:30.